

Hospital Insurance

A hospital-insurance plan is in operation in each of the ten provinces. In all provinces but Quebec, the program is a joint federal-provincial undertaking under which approximately half the cost of hospitalization for patients who are participants under the plan is met by the Federal Government and the remainder by the province. In Quebec the program is entirely a provincial undertaking. The share of cost normally carried by the Federal Government in the other provinces has been assumed by Quebec in exchange for fiscal compensation by way of a larger occupation of the field of personal income tax. Some provinces finance their share of the cost of the program by taxes, and other provinces require the deduction of a monthly premium from the wages of their residents as a contribution or premium for the plan. In such provinces, self-employed people must also pay the premium directly if they wish to be covered by the plan. In some provinces, the proceeds of a retail-sales tax are earmarked in whole or in part for the support of the hospital plan.

Medicare

A national medicare plan involving the joint participation of federal and provincial governments now operates in all provinces. As in the case of hospital insurance, this program requires approximately a 50 percent financing contribution from both levels of government. In some provinces premiums must be paid for this plan; in others the provincial share is raised through taxation.

(This explanatory paper, which was issued before the May 8, 1972, budget was brought down, is not an official interpretation of any of the taxing statutes. The administration of federal taxing statutes is the responsibility of the Minister of National Revenue. The provincial and municipal taxes are administered by provincial and municipal government departments.)

LIBRARY E A / BIBLIOTHÈQUE A E
3 5036 01063577 2

DOCS
CA1 EA9 R105 ENG
May 1972
Taxation in Canada
53683564 .B4359070